

The economy of the Russian Empire before and during the Great War through the prism of Russian and foreign historiography

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Declaration of War

On Palace Square at the moment of proclamation of the manifesto on Russia's entry into the war



Source: The project [‘History of Russia in Photos’](#)

The War in the back of the Revolution

Imperialist war is the eve of socialist revolution. And this not only because war, by its horrors, gives rise to proletarian revolt — no revolt will create socialism unless it is economically mature — but because state-monopoly capitalism is the fullest material preparation for socialism, is its precursor, is that rung of the historical ladder between which (the rung) and the rung, called socialism, there are no intermediate steps.

V. I. Lenin "The Impending Catastrophe and How to Combat It" (September, 1917)

Империалистская война есть канун социалистической революции. И это не только потому, что война своими ужасами порождает пролетарское восстание, — никакое восстание не создаст социализма, если он не созрел экономически, — а потому, что государственно-монополистический капитализм есть полнейшая материальная подготовка социализма, есть *преддверие* его, есть та ступенька исторической лестницы, между которой (ступенькой) и ступенькой, называемой социализмом, никаких промежуточных ступеней нет.

В. И. Ленин "Грозящая катастрофа и как с ней бороться" (Сентябрь, 1917)

The War as a way of legitimising the Bolshevik regime

Famine and "famine export": a historiographical myth

Myth: Allegedly, the Russian Empire continued to export grain and bread abroad during World War I, even though the Russian population was starving.

Recently, the opposite has been proven.

Firstly, by counting all bread transportations and recalculating those data that were published in Soviet times.

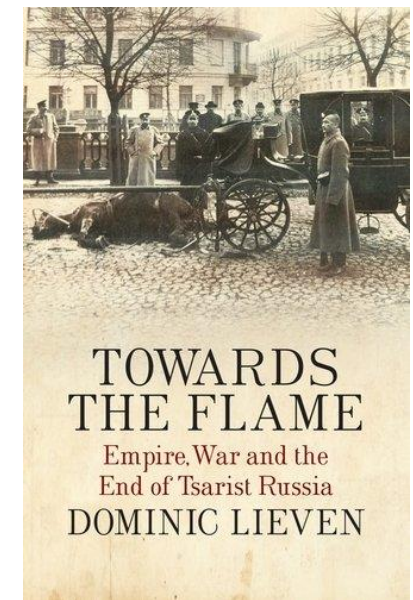
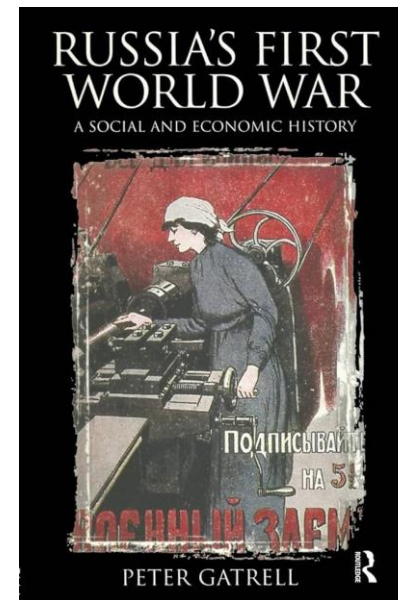
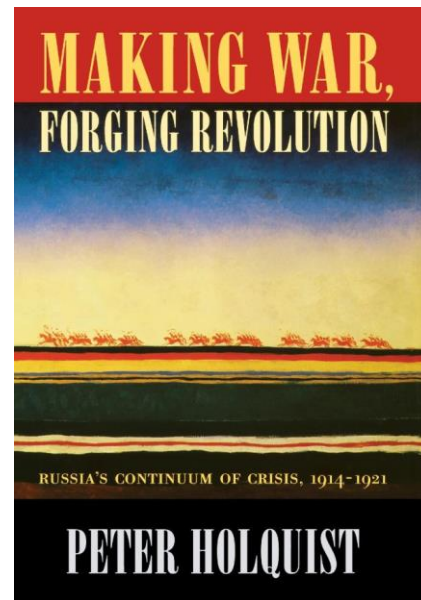
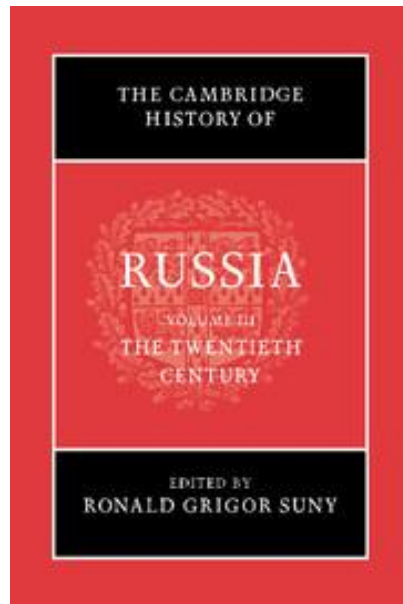
Secondly, an important discovery about '**semantic inflation**' was made. We often find the word 'famine' in First World War sources. It turned out that in the past the word 'famine' often referred to a shortage of some commodity, but by no means to a complete lack of it, leading to great loss of life.



Prokudin-Gorsky S.M. 'Lunch at the mowing field'. July 1909. The Sheksna bank near Cherepovets

A New Turn in Historiography

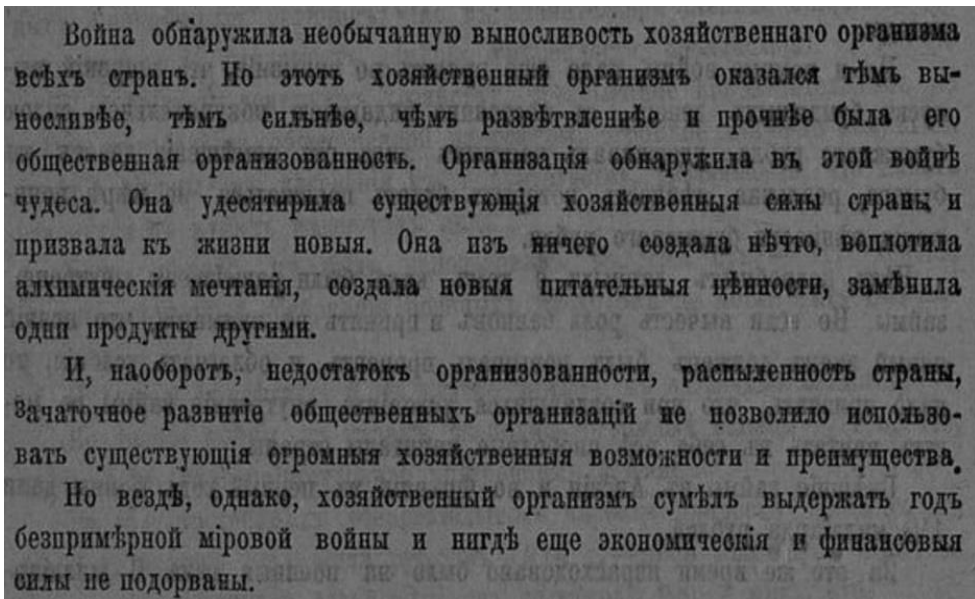
- Peter Holquist, "Making War, Forging Revolution: Russia's Continuum of Crisis, 1914-1921" (2002)
- Peter Gatrell, "Russia's First World War: A Social and Economic History" (2005)
- Dominic Lieven, "Towards the Flame: Empire, War and the End of Tsarist Russia" (2015)



"Making War, Forging Revolution: Russia's Continuum of Crisis, 1914-1921" by Peter Holquist

In «Making War, Forging Revolution», Holquist focuses on how the war radically changed the Russian economy by forcing the government to centralise management and mobilise resources.

He argues that the failure of the state to effectively mobilise the economy and rationally allocate resources (!) played a key role in undermining both the economy and the legitimacy of the government. In the face of a war that was initially expected to end in a short time, the economic system could not withstand the pressure.



Война обнаружила необычайную выносливость хозяйственного организма всех стран. Но этот хозяйственный организм оказался тем выносливее, тем сильнее, чем разветвленнее и прочнее была его общественная организованность. Организация обнаружила в этой войне чудеса. Она удесятирила существующие хозяйственные силы страны и призвала к жизни новые. Она из ничего создала нечто, воплотила алхимические мечтания, создала новые питательные ценности, заменила одни продукты другими.

И, наоборот, недостаток организованности, распыленность страны, зачаточное развитие общественных организаций не позволило использовать существующие огромные хозяйственные возможности и преимущества.

Но вездь, однако, хозяйственный организм сумел выдержать годь безпримьрной мировой войны и нигдь еще экономическая и финансовая силы не подорваны.

«The war revealed the extraordinary endurance of the economic organism of all countries. But this economic organism proved the more enduring, the stronger, the more branched out and the more solid was its social organisation. Organisation has discovered wonders in this war. It redoubled the existing economic forces of the country and called new ones to life. It created something out of nothing, realised alchemical dreams, created new nutritional values, substituted some products for others.

Conversely, the lack of organisation, the atomisation of the country, the rudimentary development of social organisations prevented the use of the existing enormous economic possibilities and advantages. But everywhere, however, the economic organism managed to withstand a year of unprecedented world war and nowhere have the economic and financial forces been undermined».

Source: P. Berlin "War and economic life" (1915)

"Russia's First World War: A Social and Economic History" by Peter Gatrell

Gatrell shows that food problems in the cities were caused not only by shortages but also by disrupted transport systems and administrative errors in distribution. The central problem, he argues, was the inability of the authorities to organise efficient logistics in a war situation.

И въ мирное время наша желѣзнодорожная сѣть плохо справлялась съ своевременнымъ и быстрымъ распредѣленіемъ продуктовъ по лицу всей земли.

Пресловутыя залежи представляли ежегодное зло въ области реализаціи урожая и въ самое страдное время перевозки хлѣба на узловыхъ станціяхъ выростали высокія горы зерна и отправители по долгимъ недѣлямъ нетерпѣливо ожидали своей очереди.

Для своего движенія вагоны съ грузами требовали обильной смазки взятками. И ни для кого не тайна, что вагоны приводились въ движеніе взятками. Образовались даже особые спеціалисты этого дѣла, „толкачи“, установившіе своего рода таксы.

«Even in peacetime our railway network did not cope well with the timely and rapid distribution of products over the face of the whole earth. The notorious deposits were an annual evil in the realisation of the harvest, and at the worst times of bread transport high mountains of grain would grow up at the hub stations and the shippers would wait impatiently for long weeks for their turn».

«For their movement the wagons with cargoes required abundant lubrication with bribes. And it is no secret that the wagons were driven by bribes. There were even special experts of this business, 'pushers', who established a kind of taxation».

Source: P. Berlin "War and economic life" (1915)

"The Cattle-Dealers" by A. P. Chekhov (originally, "The Cold Blood", Russian: Холодная кровь)

The old man Malakhin, accompanied by his rather useless son Yasha, makes a journey to Saint Petersburg in a freight train with the view of selling his cattle. Everybody around is bent on extorting the money from him. The train driver simply refuses to move the train without being paid, and the uber-conductor has to have his reward too. Malakhin is so distressed as to file a written complaint to the police, still he throws his money around, even on the occasions when this does not seem necessary. Four days later, after having bribed his way to the capital, he sells his starved-out animals, loses a great deal of money but is greatly relieved to see his totally meaningless mission completed.

(Paraphrased from Wikipedia)



In English here:

https://americanliterature.com/author/anton-chekhov/short-story/the-cattle-dealers/#google_vignette

Furthermore, Gatrell explores the role of excessive monetary issuance and its impact on inflation, which undermined confidence in the economy.

Gatrell makes a unique contribution by analysing the economic and social consequences of mass population movements, which added to the strain on the economy.

стала быть тяжким бременемъ. Роль обилія бумажныхъ денегъ какъ фактора вздорожанія продуктовъ и вообще всѣхъ товаровъ, трудно поддается измѣренію и точному выраженію. Несомнѣнно, что въ итогъ широкаго печатанія денегъ, покупательная сила рубля ослабѣла. На международномъ рынкѣ это явно и сильно сказалось. Но на внутреннемъ рынкѣ при обстоя-

«The role of the abundance of paper money as a factor in the rise in the price of foodstuffs and all commodities in general is difficult to measure and to express precisely. There is no doubt that as a result of the extensive printing of money, the purchasing power of the rouble was weakened. The international market was clearly and strongly affected».

Всѣ эти пути были использованы. Широко прибѣгли къ печатанію бумажныхъ денегъ. До войны золотое обезпеченіе достигло у насъ высокой ступени, почти всецѣло покрывая кредитные билеты.

Ко времени объявленія войны кредитныхъ билетовъ было въ обращеніи на 1.860 милл. р. На 1-ое янв. 1915 г. ихъ было уже на 3031 милл. р.; на 1-ое іюня текущаго года—уже на 3.477 милл. руб., а на 16-е іюня уже 3.583 милл. руб.

Наконецъ, къ 8-му октября въ обращеніи находилось кредитныхъ билетовъ на 4.990,8 милл. руб.

«The printing of paper money was widely resorted to. Before the war, gold collateral had reached a high degree, almost completely covering credit notes.

By the time of the declaration of war there were 1.860 million roubles worth of credit notes in circulation. On 1 January 1915 they were already worth 3,031 million roubles; on 1 June of the current year they were worth 3,477 million roubles, and on 16 June they were worth 3,583 million roubles.

Finally, by 8 October there were 4,990.8 million roubles worth of credit notes in circulation».

Source: P. Berlin "War and economic life" (1915)

"Towards the Flame: Empire, War and the End of Tsarist Russia" by Dominic Lieven

Lieven notes that Russia played an important role in the world economy as an exporter of grain, timber, and other commodities. World War I disrupted foreign trade (including grain exports), which was a severe blow to the Russian economy. Unlike Britain and Germany, Russia was not ready for such changes in the economic system.

Извѣстна фраза мин. фин. Вышнеградскаго, кратко сформулировавшая финансовую программу—не доѣдимъ, а вывеземъ. И дѣйствительно нашъ вывозъ опирался на недоѣданіи.

Source: P. Berlin "War and economic life" (1915)

«A well-known phrase of the Minister of Finance Vyshnegradsky, who briefly formulated the financial programme – not to eat, but to export. And indeed our export was based on malnutrition».

A Historiographical Controversy: Russian Historiography

«Negativistic» approach

Russia was still **'forever' lagging** behind the advanced powers, the position of the population was continuously deteriorating, its discontent was growing, and the First World War was only the final push in the natural process of the Empire's collapse; it is not clear, however, why in 1913 it was confidently among the five leading countries in many of the important indicators of economic development.

«Positivistic» approach

The Great Reforms gave the country a powerful impetus for successful development, greatly enhanced later by the "Witte-Stolypin modernisation" and the adoption of a constitution in 1905. This does not mean that Russia was a country without complex problems (there are no such countries in history), but these problems were not fundamentally unsolvable. The notorious '20 years of peace, both external and internal' were required for the large-scale realisation of the potential of modernisation. However, the First World War and the difficulties caused by it were the main reason for the Russian Revolution of 1917.

This view is based on the fact that defeat in a total war is in itself a sufficient reason for revolution and cannot serve as a criterion for the success or failure of the previous modernisation of the country.

23 February (10 February), 1916

The low price of the rouble, the high price of necessities – this is the cause of general discontent. Since this discontent must be objectified, the object of it is, of course, the government, even the Tsar. Nobody wants to realise that any government is as powerless against the natural phenomena of the world market, the world economy, as it is against the natural phenomena of nature. The general cry is 'Crucify him! Crucify him!'; in this cry there is only a blind sense of irritation and as little consciousness and reason as there was before Pilate. The crowd can feel collectively, but cannot reason.

The Diary of Mikhail Bogoslovsky

Source: 'Prozhito' (digital archive of personal documents from private collections), <https://corpus.prozhito.org/person/16>

23 февраля (10 февраля), 1916

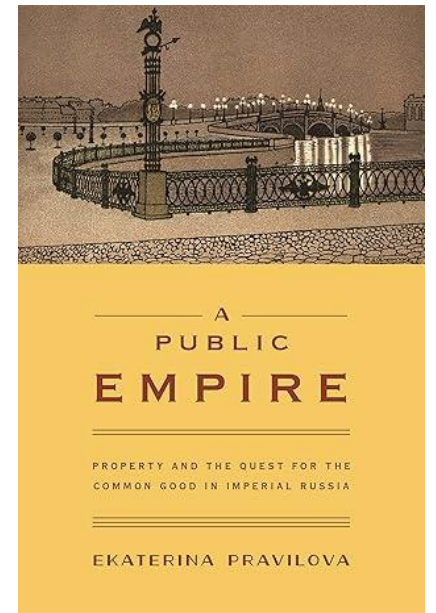
Низкая цена рубля, высокие цены на предметы необходимости – вот и причина общего недовольства. Так как это недовольство надо объективировать, то объект его, конечно, правительство, даже царь. Никто не хочет понять, что против стихийных явлений мирового рынка, мировой экономики всякое правительство так же бессильно, как против стихийных явлений в природе. Общий вопль «Распни! Распни его!»; в этом вопле только слепое чувство раздражения и столь же мало сознания и разума, как и тогда перед Пилатом. Толпа коллективно чувствовать может, а рассуждать – нет.

Дневник Михаила Богословского

Источник: "Прожито" (цифровой архив личных документов из частных собраний), <https://corpus.prozhito.org/person/16>

Why is it important? Where did it lead? What next?

- Great attention to the topic of (not only) economic modernisation of the country, which ended with the First World War and the Revolution of 1917
- Increased complexity of the perception of the economic situation of the late Russian Empire
- New research proving that things were much different than we had previously thought
- Emergence of new concepts in both Russian and foreign historiography



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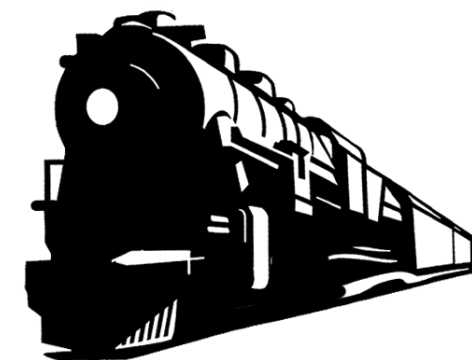
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Thank you for your attention!

